
Governor's Proposed State Budget Fiscal Year 2023-24

Areas of Interest in the Intersection of Criminal Justice & Behavioral Health Systems

Annually, CCJBH reviews the Governor's proposed budget and May revisions to inform Councilmembers of the potential investments that could be beneficial to the population served by the public criminal justice, behavioral health, housing and social services systems. The past four years have reflected significant attention to the needs of the behavioral health and justice-involved (BH/JI) population, and this year those supportive expenditures are proposed to continue. This document highlights specific excerpts from the California Fiscal Year (FY) 2023-24 Proposed Budget Summary, located on the California Budget [website](#). Additional materials in support of the budget, such as the related departmental Budget Change Proposals may be found on the Department of Finance [website](#).

The [Governor's California Fact Sheet](#) identifies investments proposed to ensure vulnerable people have the necessary help to access shelter and mental health treatment, if needed. Governor Newsom's new investments expand on the \$15.3 billion invested in the last two years, creating 2.5 million new housing units by 2030, as well as \$215 million to implement the CARE Act to provide services and support to those dealing with untreated and severe mental health conditions. The Governor's plan doubles down on the work of the last several years to respond to COVID-19, the climate crisis (including worsening wildfires, drought, extreme heat, and flooding), persistent inequality and homelessness, and community safety.

Key Elements of the Governor's Proposed Budget

The Governor's FY 2023-24 Budget reflects \$35.6 billion in total budgetary reserves. These reserves include \$22.4 billion in the Budget Stabilization Account, fulfilling the constitutional requirement for a deposit limit of 10 percent of General Fund tax proceeds. The reserve total also includes:

- \$8.5 billion in the Public School System Stabilization Account,
- \$900 million in the Safety Net Reserve, and
- \$3.8 billion in the state's operating reserve – the Special Fund for Economic Uncertainties.

The Governor's Proposed Budget projects General Fund revenues will be \$29.5 billion lower than the 2022 Budget Act projections, and California now faces an estimated budget gap of \$22.5 billion in FY 2023-24. The Governor's Budget Proposal for mitigating the gap includes the utilization of the following strategies:

- Funding Delays – \$7.4 billion. Utilizes delays in funding to avoid reducing the original FY 2021-22 allocation by spreading the funding across multiple years.

- Reductions/Pullbacks – \$5.7 billion. Reduces spending in multiple categories across Fiscal Years 2021-22, 2022-23 and 2023-24, and pulls back from the FY 2022-23 budget to leverage flexibility. For example, this budget modifies the inflationary adjustment and the Unemployment Trust Fund payment.
- Fund Shifts – \$ 4.3 billion. Shifts specific expenditures in the 2022-23 and 2023-24 fiscal years from the General Fund to various other funds. These include:
 - Shifting various California State University (CSU) capital outlay projects to CSU issued debt with the state providing support for the underlying debt service,
 - Reverting certain bonds to cash projects from the 2022 Budget Act back to bonds, and
 - Shifting certain Zero Emissions Vehicle commitment to the Greenhouse Gas Reduction Fund
- Trigger Reductions – \$3.9 billion. Certain items are reduced from the estimated FY 2020-21 expenditures but are “triggered” to restore the reductions in the 2024-25 Governor’s Budget provided sufficient funds are available and are primarily in the areas of Climate and Transportation, Housing, Parks and Workforce Training.
- Limited Revenue Generation and Borrowing – \$ 1.2 billion. Increases General Fund resources from loans from special funds and from the renewal of the Managed Care Organization Tax. For other gap funding efforts see the [Governor’s Budget Summary](#).

Sustaining Key Investments with a Balanced Plan

The Administration has made significant and unprecedented investments in the past two FYs, with specific intent to increase the affordability of health care, address homelessness, strengthen services to advance the lives of the most vulnerable Californians. Sustaining these key investments required a balanced plan with contingencies, as noted above, to guard against existing economic uncertainties of stock market declines, Federal Reserve Bank interest rates and continuing effects of inflation. While the Governor’s Proposed Budget does not go as far as to project a recession, the plan takes into consideration the potential for economic change as the year progresses. The Governor’s commitment to key investments is evident throughout the Proposed Budget Proposal. Specific proposed investments to advance priorities with potential impact to the BH/JI population are as follows:

- ❖ **Expanding Health Care Access and Health Care Delivery Transformation** — Continues funding to expand full-scope Medi-Cal eligibility to all income-eligible Californians, regardless of immigration status. The Budget maintains \$844.5 million (\$635.3 million General Fund) in FY 2023-24, \$2.1 billion (\$1.6 billion General Fund) in FY 2024-25, and approximately \$2.5 billion (\$2 billion General Fund) ongoing, inclusive of In-Home Supportive Services costs, to expand full-scope Medi-Cal eligibility on January 1, 2024, to all income-eligible adults ages 26 to 49, regardless of immigration status. In addition, the Proposed Budget reflects a commitment of approximately \$10 billion in total funds to continue transforming the state’s health care delivery system through California Advancing and Innovating Medi-Cal (CalAIM). Through CalAIM, California is now the first state in the nation to provide 90-day in-reach services to its incarcerated population prior to release which allows them access to necessary

mental and physical health care upon release.

- ❖ **Expanding the Behavioral Health Continuum** — Sustains over \$8 billion total funds across various multiple Health and Human Services departments to expand the continuum of behavioral health treatment and infrastructure capacity and transform the system for providing behavioral health services to children and youth.
- ❖ **Community Assistance, Recovery & Empowerment (CARE) Act** — Maintains \$88.3 million General Fund for county start-up and state implementation of the CARE Act and proposes additional funding for ongoing costs.
- ❖ **Greater Assistance for California's Most Vulnerable** — Includes over \$1 billion General Fund annually to provide increased cash assistance to individuals with disabilities and older adults in the Supplemental Security Income/State Supplementary Payment program, and low-income children and families in the CalWORKs program.
- ❖ **Incompetent to Stand Trial Waitlist Solutions**—Maintains \$535.5 million General Fund in FY 2022-23, increasing to \$638 million in FY 2025-26 and ongoing, for the Department of State Hospitals to implement solutions focused on Early Stabilization, Community Care Coordination, and Expanding Diversion and Community-Based Restoration Capacity for the felony Incompetent to Stand Trial (IST) population. Over four years, this funding will establish 5,000 beds to support felony ISTs. From January to December 2022, the waitlist declined from a high of 1,953 to 1,473 as a result of these solutions and increased operational efficiencies.
- ❖ **Home and Community-Based Services (HCBS) Spending Plan** — Includes adjustments to the HCBS spending plan based on revised claiming of the enhanced federal funding and expenditure estimates to \$2.8 billion, a \$60 million reduction compared to the 2022 Budget Act. The Budget assumes that all HCBS spending plan funding will be expended by March 2024, and California will not use the additional optional year to spend the enhanced federal funding. The 2021 Budget Act appropriated funding made available pursuant to the American Rescue Plan Act of 2021 to enhance, expand, and strengthen HCBS for 26 initiatives across 6 Health and Human Services departments.
- ❖ **Housing and Homelessness** — Previous years' budgets held a combined total of \$21.5 billion for housing resources. These housing programs are expected to remain at approximately 88 percent of the allocations made in FYs 2022-23 and 2023-24 (\$2.85 billion). Reductions are included in the trigger strategies noted above, so if there is sufficient General Fund in January 2024, these reductions will be restored. Signifying a continued priority in providing investments to support the state's comprehensive homelessness strategy, the Governor's Proposed Budget reflects the following:
 - Maintains the investments from the 2022 Budget Act, which allocated \$10.2 billion, adding to the \$7.3 billion provided in 2021-22 Budget. These investments included resources to provide long-term permanent housing options, services, and supports for individuals experiencing homelessness, or who are at risk of experiencing homelessness.
 - \$250 million General Fund in FY 2023-24 to expand access to housing for vulnerable populations living with complex behavioral health conditions.
 - \$10.6 million annually for three years for the Returning Home Well Program to continue providing housing for justice-involved individuals who are transitioning from

incarceration.

- ❖ **Opioid and Fentanyl Response** — Building on the 2022 Budget Act opioid response investments, the Proposed Budget includes an additional \$93 million in Opioid Settlement Fund over four years beginning in FY 2023-24 to support youth- and fentanyl-focused investments.
- ❖ **Public Health and Workforce Infrastructure Investments** — \$300 million ongoing for local public health infrastructure intended to specifically address workforce expansion, data collection and integration for informing local decision-making. Of this amount, \$100 million General Fund supports increased state public health capacity in foundational public health areas, such as emergency preparedness and response and workforce development and training. The remaining \$200 million General Fund is for local health jurisdictions to expand public health staffing and reduce health disparities.
- ❖ **Healthcare Workforce** - The Budget maintains over \$1 billion General Fund to the Department of Health Care Access and Information (HCAI) to strengthen and expand the state’s health and human services workforce.
- ❖ **1991 And 2011 Realignment** — Realignment shifted administrative and fiscal responsibility to counties for a variety of programs, along with a dedicated source of funding. Specifically, 1991 Realignment provides funding for social and health programs and 2011 Realignment provides funding for local public safety programs. Additionally, both 1991 and 2011 Realignment provides funding for mental health and child welfare programs. The programs for 1991 and 2011 Realignment are funded through two sources: state sales tax and vehicle license fees. These fund sources are projected to increase by 1.3 percent from FY 2021-22 to 2022-23, and by 1.6 percent from FY 2022-23 to 2023-24.

Looking Forward Through Economic Uncertainty

As in previous years, Governor’s Newsom’s budget proposal addressed the needs of people with mental health and substance use disorders, individuals who are justice-involved, and other vulnerable populations, while also addressing underlying inequities. The Governor’s Proposed Budget reflects strong fiscal planning, innovative administrative steps to preserve programs for the most vulnerable populations and a commitment to maintaining healthy reserves to protect against potential economic uncertainties. The following provides additional funding highlights of the various statewide expenditures in the Governor’s Budget Proposal which could impact the BH/JI population.

Health and Human Services

The California Health and Human Services Agency (CalHHS) is responsible for the oversight and review of the delivery of health and social services across the state and, more specifically, to the most vulnerable and at-risk Californians. The Governor’s January Budget proposal includes \$230.5 billion (\$71.5 billion General Fund) for all health and human services programs in FY 2023-24. For more information, visit the [Health and Human Services Budget Summary](#).

Department of Health Care Services

California’s Medicaid program, Medi-Cal, is administered by the Department of Health Care Services (DHCS). Medi-Cal is a public health care program that provides comprehensive health care services at no or low cost to low-income individuals. In addition to Medi-Cal, the Department oversees county-operated community mental health and substance use disorder programs, as well as the California Children’s Services and the Primary and Rural Health Programs.

The proposed Medi-Cal budget includes \$137.7 billion (\$32.3 billion General Fund) in FY 2022-23 and \$138.9 billion (\$38.7 billion General Fund) in FY 2023-24. Medi-Cal is projected to cover approximately 15.2 million Californians in FY 2022-23 and 14.4 million in FY 2023-24—more than one-third of the state’s population. For more information, visit the [DHCS Departmental Summary](#).

- ❖ **Lanterman-Petris Short Act** – The DHCS budget includes approved expenditure authority of \$2,400,000 (\$1,200,000 General Fund and \$1,200,000 Federal Fund (FF)) in FY 2023-24 and \$1,560,000 (\$780,000 GF; \$780,000 FF) in FY 2024-25 and ongoing, and corresponding statutory changes, to implement Chapter 539, Statutes of 2022 (SB 929) by expanding existing DHCS data collection and reporting requirements pertaining to involuntary detentions under the Lanterman-Petris Short Act. For more information, see the [Enhanced Lanterman-Petris Short Act Data and Reporting BCP](#).
- ❖ **California’s Behavioral Health Community-Based Continuum Demonstration** — The Budget includes \$6.1 billion (\$314 million General Fund, \$175 million Mental Health Services Fund, \$2.1 billion Medi-Cal County Behavioral Health Fund, and \$3.5 billion FF) over five years for DHCS and the Department of Social Services to implement the Behavioral Health Community-Based Continuum Demonstration, effective January 1, 2024. A critical part of CalAIM, the Demonstration includes statewide and county opt-in components to expand behavioral health services and strengthen the continuum of mental health services for Medi-Cal beneficiaries living with serious mental illness and serious emotional disturbance, with a focus on children and youth, individuals experiencing or at risk of homelessness, and justice-involved individuals.
- ❖ **Managed Care Organization Tax** — The Budget proposes the renewal of the Managed Care Organization (MCO) Tax, effective January 1, 2024, through December 31, 2026, to help maintain Medi-Cal program funding for the Medi-Cal expansion to all income-eligible individuals, thus minimizing the need for reductions to the program. This tax renewal maintains the structure from the prior MCO Tax authorized in Assembly Bill 115 (Chapter 348, Statutes of 2019), as approved by the federal government, with minor modifications and data updates. The Budget includes \$1.3 billion (\$317 million in reduced General Fund spending) in FY 2023-24, and the MCO Tax is estimated to offset \$6.5 billion in General Fund spending over the three years. The Administration will explore opportunities over the next few months to increase the MCO Tax to support for the Medi-Cal program.
- ❖ **Designated State Health Program and Rate Increases** — The Budget reflects \$40.4 million General Fund savings in FY 2022-23, and \$161.6 million General Fund savings in FY 2023-24 through 2026-27, for a total General Fund savings of \$646.4 million from the anticipated federal reauthorization of Designated State Health Program funding to cover the costs of the Providing Access and Transforming Health and CalAIM Justice Initiative. As a condition of approval of Designated State Health Program funding, DHCS is required to demonstrate compliance with minimum reimbursement levels for specific service categories. The Budget includes

\$22.7 million (\$8.6 million General Fund) in FY 2023-24 and \$57.1 million (\$21.7 million General Fund) ongoing for primary care and obstetric care provider increases.

- ❖ **CalAIM Transitional Rent Waiver Amendment** — Includes \$17.9 million (\$6.3 million General Fund) in FY 2025-26, increasing to \$116.6 million (\$40.8 million General Fund) at full implementation, to allow up to six months of rent or temporary housing to eligible individuals experiencing homelessness or at risk of homelessness and transitioning out of institutional levels of care, a correctional facility, or the foster care system and who are at risk of inpatient hospitalization or emergency department visits.
- ❖ **Community Assistance, Recovery & Empowerment (CARE) Act** — The Budget includes \$16.5 million General Fund in FY 2023-24, \$66.5 million General Fund in FY 2024-25, \$108.5 million in FY 2025-26 and annually thereafter to support estimated county behavioral health department costs for the CARE Act (Chapter 319, Statutes of 2022). The Act requires Cohort I counties to implement the CARE program beginning in October 2023, with Cohort II counties beginning in December 2024. The Administration will continue to work with counties and stakeholders to refine the ongoing program cost estimate. For Judicial Branch and legal services funding, see the [Judicial Branch Chapter](#).
- ❖ **Behavioral Health Continuum Infrastructure Program** — The Proposed Budget delays the last round of behavioral health continuum capacity funding of \$480.7 million General Fund appropriated in the 2022 Budget Act for FY 2022-23 to \$240.4 million in 2024-25 and \$240.3 million in FY 2025-26. A total of \$1.2 billion has been awarded to date, and the Proposed Budget maintains \$480 million General Fund for crisis and behavioral health continuum grant funding to be awarded in FY 2022-23. For more information, see the [BHCIP and Community Care Expansion webpage](#).

Department of Social Services

The California Department of Social Services (CDSS) serves, aids, and protects needy and vulnerable children and adults in ways that strengthen and preserve families, encourage personal responsibility, and foster independence. The Budget includes \$43.8 billion (\$18.4 billion General Fund) for CDSS programs in FY 2023-24. For more information, see the [CDSS Departmental Summary](#).

- ❖ **CalWORKs Grant Increase** — Projects a 2.9 percent increase to CalWORKs Maximum Aid Payment (MAP) levels, with an estimated cost of \$87 million in FY 2023-24. These increased costs are funded entirely by the Child Poverty and Family Supplemental Support Subaccount of the 1991 Local Revenue Fund and will be updated at the May Revision. This increase is in addition to an 11-percent statutory increase for FY 2022-23.
- ❖ **State Supplemental Payment (SSP) Increase** — Includes \$3.5 billion General Fund in FY 2023-24 for the Supplemental Security Income (SSI)/SSP program, including Cash Assistance Program for Immigrants (CAPI). The average monthly caseload in this program is estimated to be 1.1 million recipients in FY 2023-24. An 8.7 percent federal SSI cost-of-living adjustment and 10.3-percent SSP increase took effect on January 1, 2023, bringing the maximum SSI/SSP grant levels to \$1,134 per month for individuals and \$1,928 per month for couples. CAPI benefits are equivalent to SSI/SSP benefits. The Budget reflects \$146 million General Fund in FY 2023-24

and \$292 million ongoing for an additional SSP increase of approximately 8.6 percent, effective January 1, 2024.

- ❖ **Children’s Programs** — Includes \$884.9 million General Fund in FY 2023-24 for services to children and families in these programs. When federal and 1991 and 2011 Realignment funds are included, total funding for children’s programs is in excess of \$9.2 billion in FY 2023-24.

Department of Developmental Services

The Department of Developmental Services (DDS) provides individuals with intellectual and developmental disabilities a variety of services entitlements that allow them to live and work independently or in supported environments. The Budget includes \$14.2 billion (\$8.6 billion General Fund) and estimates that approximately 421,000 individuals will receive services in FY 2023-24. For more information, visit the [DDS Departmental Summary](#).

- ❖ **Safety Net Plan Update**— Includes \$28.7 million (\$22.1 million General Fund) to expand safety net services to further support individuals with complex needs. The updated Safety Net Plan includes the development of a residential program in the community for adolescents and adults with high-intensity, co-occurring developmental disabilities and mental health diagnoses, conversion of two Stabilization Training Assistance Reintegration homes to Intermediate-Care-Facility-licensed homes, adjustments to Crisis Assessment Stabilization Teams staffing, expansion of supports for foster youth who are eligible for regional center services, and establishment of an Autism Services Branch to support a statewide focus on addressing the needs of the growing population of individuals with Autism Spectrum Disorder. These additional resources further support the continuum of safety net services.

Department of Public Health

The California Department of Public Health (CDPH) is charged with protecting and promoting the health and well-being of the people of California. The Budget includes \$5.5 billion (\$1 billion General Fund) in FY 2023-24 for the Department. For more information, see the [CDPH Departmental Summary](#).

- ❖ **Public Health Infrastructure Investment** — Maintains \$300 million ongoing General Fund to modernize state and local public health infrastructure and transition to a resilient public health system. Of this amount, \$100 million General Fund supports increased state public health capacity in foundational public health areas such as emergency preparedness and response and workforce development and training. The remaining \$200 million General Fund is for local health jurisdictions to expand public health staffing and reduce health disparities.
- ❖ **Partial Public Health Workforce Reductions** — Reduces funding for various public health workforce training and development programs by \$49.8 million General Fund over four years to help address the budgetary problem and maintains \$47.7 million General Fund over four years for community-based clinical education rotations for dental students and public health incumbent workforce upskilling and training.
- ❖ **Opioid and Fentanyl Response** — Building on the 2022 Budget Act opioid response investments, the Proposed Budget includes an additional \$93 million in Opioid Settlement Fund over four years beginning in FY 2023-24 to support youth- and fentanyl-focused investments for DHCS and for CDPH, as follows:

- \$79 million for the Naloxone Distribution Project to increase distribution to first responders, law enforcement, community-based organizations, and county agencies.
- \$10 million for fentanyl program grants to increase local efforts in education, testing, recovery, and support services to implement Chapter 783, Statutes of 2022 (AB 2365).
- \$4 million to support innovative approaches to make fentanyl test strips and naloxone more widely available.

Department of State Hospitals

The Department of State Hospitals (DSH) cares for patients with serious mental illness, 90 percent of whom are sent to state hospitals through the California court system, and the pandemic has exacerbated the number of felony incompetent to Stand Trial (IST) patients awaiting transfer to DSH. The Proposed Budget includes \$3.2 billion (\$3 billion General Fund) in FY 2023-24 to support the Department felony IST efforts. The patient population is expected to reach 9,289 by the end of FY 2023-24, including patients receiving competency treatment in jail-based settings and community-based settings. For more information, see the [DSH Departmental Summary](#).

- ❖ **Electronic Health Records (EHR) Implementation** — Includes \$21.5 million General Fund in FY 2023-24 and \$22.3 million General Fund ongoing to complete the planning phase and begin implementation of the enterprise Continuum Electronic Health Records Project.
- ❖ **Mental Health Facilities** – Shifts \$29.4 million one-time from the General Fund to the Mental Health Facilities Fund (reimbursements in FY 2022-23) from available reserves for state operations.
- ❖ **Incompetent to Stand Trial (IST) Waitlist Solutions** — Maintains \$535.5 million General Fund in FY 2022-23, increasing to \$638 million in FY 2025-26 and ongoing, for DSH to implement solutions focused on Early Stabilization, Community Care Coordination, and Expanding Diversion and Community-Based Restoration Capacity for the felony IST population. Over four years, this funding will establish 5,000 beds. From January to December 2022, the waitlist declined from a high of 1,953 to 1,473 as a result of these solutions and increased operational efficiencies.

Department of Health Care Access and Information

The Department of Health Care Access and Information (HCAI) is committed to expanding equitable access to health care for all Californians—ensuring every community has the health workforce they need, safe and reliable health care facilities, and health information that can help make care more effective and affordable. The Budget includes \$338 million (\$186 million General Fund) in 2023-24 to support the Department. For more information, visit the [HCAI Departmental Summary](#).

- ❖ **Healthcare Workforce** — The Budget maintains over \$1 billion General Fund to HCAI to strengthen and expand the state’s health and human services workforce. These investments include funding for increasing nurses, community health workers and social workers, and supporting new individuals coming into the workforce in behavioral health, primary care and reproductive health. This commitment will be fulfilled, but over more time due to declining General Fund revenues. Please see the [General Government and Statewide Issues](#) and [Climate Change Chapters](#) for more information.

Housing and Homelessness

The Proposed Budget reflects the Administration's commitment to equitably building more affordable housing for Californians and expand access to housing for vulnerable populations, including individuals with complex behavioral health conditions and people living in unsheltered settings.

The 2022 Budget Act included a housing package of \$11.2 billion over multiple years, with a focus on affordable housing production and homeownership opportunities. Due to declining General Fund revenues, the Proposed Budget includes \$350 million in reductions related to housing programs that were included as part of the 2022 Budget Act. Even with these reductions, funding for these housing programs remains at approximately 88 percent of the allocations made in FY 2022-23 and proposed for FY 2023-24 (\$2.85 billion). If there is sufficient General Fund in January 2024, these reductions will be restored. For more information see the [Housing and Homelessness](#) portion of the FY 2023-24 budget.

- ❖ **CalAIM Transitional Rent Waiver Amendment** — Allows up to six months of rent or temporary housing to eligible individuals experiencing homelessness or at risk of homelessness. See the Department of Health Care Services Section of the California Health and Human Services update above for additional information.
- ❖ **Encampments and Unsheltered Settings** — Includes \$3.4 billion General Fund in FY 2023-24 to maintain the state's efforts to address homelessness, as committed to in prior budgets. This includes \$400 million for a third round of encampment resolution grants and \$1 billion for a fifth round of Homeless Housing, Assistance and Prevention (HHAP) Program grants, conditional on proposed statutory changes requiring greater accountability in the planning and expenditure of these critical homelessness resources. The Proposed Budget also includes funding to allow up to six months of rent or temporary housing to eligible individuals experiencing homelessness or at risk of homelessness.
- ❖ **Behavioral Health Bridge Housing Program** — Modifies funding allocation for the Behavioral Health Bridge Housing Program. See the Department of Health Care Services Section of the California Health and Human Services update above for additional information.

Judicial Branch

The Judicial Branch consists of the Supreme Court, courts of appeal, trial courts, the Habeas Corpus Resource Center, and the Judicial Council. The Judicial Council is responsible for managing the resources of the Judicial Branch. The trial courts are funded with a combination of General Fund, county maintenance-of-effort requirements, fines, fees, and other charges. Other levels of the Judicial Branch receive most of their funding from the General Fund. The Budget includes total funding of \$5.1 billion (\$3.2 billion General Fund and \$1.9 billion other funds) in FY 2023-24 for the Judicial Branch, of which \$2.9 billion is provided to support trial court operations. For more information, see the [Judicial Branch Chapter](#) of the FY 2023-24 budget.

- ❖ **Trial Court Operations** — \$74.1 million ongoing General Fund to support trial court operations. This is in addition to general increases provided in the 2021 and 2022 Budget Acts, which included \$72.2 million and \$84.2 million, respectively. The 2022 Budget Act also included \$100 million ongoing General Fund to promote fiscal equity among the trial courts and to

improve existing service levels. Additionally, the 2021 Budget Act included \$60 million one-time General Fund to be spent over two years to address trial court backlogs and workload delays resulting from the COVID-19 Pandemic.

- ❖ **Community Assistance, Recovery, and Empowerment (CARE) Act** — The 2022 Budget Act included \$6.1 million in FY 2022-23 and \$37.7 million ongoing for the Judicial Branch to implement the CARE Act (Chapter 319, Statutes of 2022). The Budget reduces this funding by \$13.9 million General Fund in FY 2023-24, increases funding by \$12.9 million in FY 2024-25, with \$30.9 million ongoing. In total, the Proposed Budget provides the Judicial Branch \$23.8 million General Fund in FY 2023-24, \$50.6 million in FY 2024-25, and \$68.5 million in FY 2025-26 and ongoing for the CARE Act. In addition, the Proposed Budget includes \$6.1 million General Fund in FY 2023-24, increasing to \$31.5 million annually beginning in FY 2025-26, to support public defender and legal services organizations who will provide legal counsel to CARE participants. For county behavioral health funding, see the [Health and Human Services Chapter](#).
- ❖ **Court Appointed Special Advocate Program** — The 2022 Budget Act included a total of \$60 million one-time General Fund over three years (\$20 million in FYs 2022-23, 2023-24, and 2024-25) to expand the Court Appointed Special Advocate (CASA) program. The Proposed Budget maintains the \$20 million allocated in FY 2022-23, which is available until June 30, 2024, and removes \$20 million General Fund in FYs 2023-24 and 2024-25.

Criminal Justice

California Department of Corrections and Rehabilitation

The California Department of Corrections and Rehabilitation (CDCR) incarcerates people convicted of the most violent felonies, supervises those released to parole, and provides rehabilitation programs to help them reintegrate into the community. CDCR strives to facilitate the successful reintegration of the individuals in its care back to their communities equipped with the tools to be drug-free, healthy, and employable members of society by providing education, treatment, and rehabilitative and restorative justice programs.

The Proposed Budget includes total funding of \$14.5 billion (\$14.1 billion General Fund and \$374.9 million other funds) for CDCR in FY 2023-24. Of this amount, \$3.8 billion General Fund is for health care programs, which provide incarcerated individuals with access to mental health, medical, and dental care services that are consistent with the standards and scope of care appropriate within a custodial environment. For more information, see the [CDCR Budget Detail](#) or [Criminal Justice Budget Chapter](#).

The average daily adult incarcerated population for FY 2022-23 is now projected to be 96,157, a decrease of 6.6 percent since the spring 2022 projections. Fall projections indicate the adult incarcerated population will trend downward, decreasing by 2,761 individuals between FYs 2022-23 and 2023-24 (from 96,157 to 93,396, respectively). On January 1, 2020, prior to the COVID-19 Pandemic, the CDCR population was 123,977. The population is projected to continue its long-term downward trend, declining to 87,295 in 2025-26. Below are key budget highlights:

- ❖ **Prison Capacity and Closure** — The adult prison population has steadily declined over many years, which presented opportunities for CDCR to eliminate its reliance on contract prison capacity. CDCR terminated its final in-state contract correctional facility in May 2021. In

September 2021, CDCR closed the Deuel Vocational Institution in Tracy, achieving savings of \$150.3 million General Fund annually, beginning in 2022-23. Beginning in November 2022, CDCR initiated the closure of a second prison, the California Correctional Center (CCC) in Susanville, which is expected to achieve an estimated \$142.8 million in annual ongoing savings.

- ❖ **Integrated Substance Use Disorder Treatment Program**—The 2022 Budget Act augmented funding to support the Integrated Substance Use Disorder Treatment (ISUDT) Program, which is funded at approximately \$260 million in FY 2022-23. These resources were added to enhance the Department’s ability to treat individuals with substance use disorders. As of December 31, 2022, the ISUDT Program had screened over 90,000 individuals for substance use disorders, was serving approximately 15,000 of those individuals with Medication-Assisted Treatment and was providing approximately 9,000 individuals with Cognitive Behavioral Interventions.
- ❖ **Technology Improvements** — The 2021 and 2022 Budget Acts included \$37.6 million General Fund in FY 2021-22, \$112.3 million in FY 2022-23, \$28.4 million in FY 2023-24, and \$11.6 million ongoing to: (1) install and operate new fixed cameras and deploy body-worn cameras at certain institutions, and (2) begin an Enhanced Managed Access System to block contraband cell phone usage that can stop calls and texts on newer technologies. Additionally, the 2021 Budget Act added \$23.2 million General Fund in FY 2021-22, and \$18 million ongoing, to purchase and support the operation of laptop computers for use by academic program participants.
- ❖ **Expansion of Rehabilitative Opportunities** — The 2022 Budget Act included \$40 million General Fund annually for three fiscal years (total of \$120 million) to support an expansion of CDCR’s community reentry programs. These programs have demonstrated success in reducing recidivism by enabling incarcerated individuals to serve a portion of their sentence in a community-like setting, with the goal of facilitating their successful transition back into their communities following their release.
- ❖ **Expand Higher Education Opportunities** — The 2022 Budget Act added \$5 million General Fund in FY 2022-23, and \$4.7 million ongoing, to permanently fund bachelor’s degree programs at seven institutions in collaboration with the California State University system to enable incarcerated individuals to further prepare to enter the workforce and find gainful employment upon their release from prison. CDCR offers a variety of educational programs to incarcerated individuals to further their educational attainment and reduce recidivism following release. These programs include Adult Basic Education, secondary education (high school diploma or equivalency), and career technical education. CDCR also expanded its community college programs in partnership with the California Community Colleges and now offers these programs at 33 of 34 institutions. CDCR served 6,246 community college students during the spring 2021 semester.
- ❖ **Integrated Substance Use Disorder Treatment (ISUDT) Program** — The 2022 Budget Act augmented funding to support the Integrated Substance Use Disorder Treatment (ISUDT) Program, which is funded at approximately \$260 million in 2022-23. These resources were added to enhance the Department’s ability to treat individuals with substance use disorders. As of December 31, 2022, the ISUDT Program had screened over 90,000 individuals for substance use disorders, was serving approximately 15,000 of those individuals with Medication-Assisted Treatment and was providing approximately 9,000 individuals with Cognitive Behavioral Interventions.

- ❖ **Various Rehabilitative, Restorative Justice, and Reentry Programming** — The 2022 Budget Act included over \$37 million one-time General fund to support in-prison rehabilitation programs, including the creation of a veterans’ hub at the Correctional Training Facility in Soledad and restorative justice programming to further support the incarcerated population in transforming their lives by better preparing them to reenter society.
- ❖ **COVID-19 Update** — The Budget includes \$141.8 million one-time General Fund in FY 2023-24 to enable CDCR to continue taking proactive measures and precautions to protect the incarcerated population and staff and mitigate the impacts of COVID-19 in state prisons. This includes resources to support staff and incarcerated individual testing (\$89.2 million), personnel services (\$37.5 million), and medical registry costs (\$15.1 million).
- ❖ **CalAIM Initiative** – The start date for 90-day in-reach pre-release services has shifted to be no sooner than April 1, 2024, with an allowance of up to 24 months for state/county implementation. In response, CDCR/California Correctional Health Care Services (CCHCS) proposes to reduce the 81.2 positions received through a FY 2022-23 proposal, along with the associated funding, with the intent to re-assess staffing needs closer to the point-in-time of CalAIM implementation. These positions consisted of 39.6 Licensed Vocational Nurses, 39.6 Correctional Officers, and 2.0 Research Data Managers. (81.2 positions). For more information, visit the [CalAIM Technical Adjustments BCP](#).

Division of Juvenile Justice

The Division of Juvenile Justice (DJJ) will close on June 30, 2023, pursuant to Chapter 18, Statutes of 2021 (SB 92). DJJ ceased intake of new youth on July 1, 2021, with limited exceptions, consistent with Chapter 337, Statutes of 2020 (SB 823). The DJJ estimates that 360 youth will remain at the time of DJJ’s closure. Youth who have not been released from DJJ at the time of closure will be transferred to the county probation department within their county of commitment. The 2022 Budget Act included \$100 million General Fund for grants to support improvements to county-operated juvenile facilities to make these locations more conducive to serving justice-involved youth with a wide range of needs, with a focus on supporting trauma-informed care, restorative justice, and rehabilitative programming. The Budget reflects a decrease of \$95.8 million ongoing (\$93 million General Fund and \$2.8 various funds) associated with the closure of DJJ.

Local Public Safety

Specific details of the Budget for the following programs can be found in the [Criminal Justice Budget Summary](#).

- ❖ **Combatting Organized Retail Theft and Other Crimes** — A total of \$564.4 million General Fund was invested over three years to bolster local law enforcement efforts to address retail theft and other crimes. These investments are helping local law enforcement agencies implement anti-theft task forces, improve prosecution, expand Department of Justice and California Highway Patrol anti-crime and retail theft taskforces, expand drug interdiction and combat fentanyl prevalence, improve emergency response times, combat human trafficking and child sexual exploitation, support programs to remove and dispose of firearms, and provides resources to research to inform policies that address the ever-evolving firearms market.

- ❖ **Proposition 47 Savings** — Proposition 47, passed in 2014, requires misdemeanor rather than felony sentencing for certain property and drug crimes and permits incarcerated persons previously sentenced for these reclassified crimes to petition for resentencing. Proposition 47 established a fund to invest savings from reduced prison utilization in prevention and support community programs. The Department of Finance estimates net General Fund savings of \$101 million in FY 2023-24. These funds are allocated according to the formula specified in the ballot measure, which requires 65 percent be allocated for grants to public agencies to support various recidivism reduction programs (such as mental health and substance use treatment services), 25 percent for grants to support truancy and dropout prevention programs, and 10 percent for grants for victims' services. In the 2023-24 Governor's Proposed Budget, revenue was specifically transferred from Board of State and Community Corrections (BSCC)'s Safe Neighborhood and Schools Fund to the Second Change Fund.
- ❖ **Post Release Community Supervision** — The Post Release Community Supervision Act of 2011 authorized CDCR to release certain incarcerated individuals to county supervision. The state provides funding to those counties. The Department of Finance estimates \$8.2 million General Fund will be allocated to counties for this purpose in FY 2023-24.
- ❖ **Community Corrections Performance Incentive Grant** — Consistent with the 2022 Budget Act, the Budget continues a total of \$123.8 million General Fund in FY 2023-24 to provide county probation departments with a consistent level of funding based on prior performance so that county probation departments are not unduly impacted by the lingering effects of the COVID-19 Pandemic on probation populations, law enforcement practices, or court processes. The Community Corrections Performance Incentive Grant, Chapter 608, Statutes of 2009 (SB678), was created to provide incentives for counties to reduce the number of felony probationers sent to state prison.
- ❖ **Board of State and Community Corrections**— A \$50 million one-time General Fund reduction to the Public Defender Pilot program is proposed in FY 2023-24 due to declining General Fund revenues. This still allows funding for two full years of the grant program and funding for the program evaluation, as planned.
- ❖ **Officer Wellness** — The \$65 million one-time General Fund was appropriated for research and grants to support peace officers' physical, mental, and emotional wellness, which is essential for creating safer communities. Additionally, a Use of Force and De-escalation Training pilot program was added to fortify positive policing strategies.

Labor and Workforce Development

The 2022 Budget invested approximately \$2.2 billion General Fund to create additional apprenticeships; provide training to mitigate the effects of climate change; provide job training and other assistance to the justice-involved population; and create more innovative and accessible opportunities to recruit, train, hire, and advance an ethnically and culturally inclusive health and human services workforce. Even with the reductions noted below that are required to address the budget problem, the Proposed Budget maintains \$2.065 billion for these purposes. For more information, see the [Labor and Workforce Development Budget Summary](#). Related investments that could benefit the BH/JI population include:

- ❖ **Various Department of Public Health Workforce Development Programs** — The 2022 Budget Act previously planned \$65.6 million over four years for various public health workforce development programs. The Budget proposes to reduce this investment to \$15.8 million to help address the projected revenue shortfall. See the [Health and Human Services Chapter](#) for additional information.
- ❖ **Emergency Medical Technician Training** — The 2022 Budget Act committed \$60 million General Fund over three years (\$20 million in each FYs 2022-23, 2023-24, and 2024-25) to the Employment Development Department to provide targeted emergency medical technician training. The Budget proposes to withdraw \$20 million (\$10 million in each FY 2023-24 and 2024-25), reducing the total three-year investment to \$40 million. If there is sufficient General Fund in January 2024, this reduction will be restored. See the [Introduction Chapter](#) for further information on this trigger.
- ❖ **California Youth Leadership Program** — The 2022 Budget Act committed \$60 million General Fund over three years (\$20 million in each FYs 2022-23, 2023-24, and 2024-25) to the California Workforce Development Board to invest in career pathway programs at community colleges. The Budget proposes to withdraw \$20 million (\$10 million in each FY 2023-24 and 2024-25), reducing the total three-year investment to \$40 million. If there is sufficient General Fund in January 2024, this reduction will be restored. See the [Introduction Chapter](#) for further information on this trigger.
- ❖ **Various Department of Health Care Access and Information (HCAI) Workforce** — The 2022 Budget Act committed over \$1.5 billion General Fund for healthcare and workforce development initiatives over multiple years. The Budget defers \$68 million in FY 2022-23 and \$329.4 million in 2023-24 for certain HCAI healthcare workforce programs. These programs remain fully funded, but these funds will be appropriated later than initially anticipated—\$198.7 million in both FY 2024-25 and 2025-26.
- ❖ **California 25x25 Initiative** — Delays \$130 million General Fund in FY 2023-24 for the California 25x25 Initiative (Community Health Worker Initiative Grants in Health Care Access and Information) into out years. This program remains fully funded, but the funds would be provided later than initially anticipated, including \$65 million to recruit, train and develop 25,000 new Community Health Workers to include specialty certifications in climate health, homelessness and dementia in both FY 2024-25 and 2025-26.

General Government and Statewide Issues

The Budget includes funding proposals in a variety of departments that will impact the criminal justice and behavioral health populations. Innovative work to research genetics as they relate to ACEs and depression; mental health crisis numbers; funds to build strong communities and address racism; free school meals; and funding to build capacity and infrastructure of the community-based organizations (CBOs) that provide vital services to the most vulnerable communities. For more information see the [General Government and Statewide Issues Budget Summary](#).

Governors' Office of Planning and Research

- ❖ **Racial Equity and Youth Empowerment Commissions** — The Budget includes \$3.8 million General Fund in FY 2023-24 and \$3.1 million General Fund through FY 2028-29, which includes \$1.5 million General Fund that was authorized in the 2022 Budget Act to support the state's first Racial Equity Commission established by Executive Order N-16-22 and the California Youth Empowerment Commission established in Chapter 660, Statutes of 2021. The Office of Planning and Research will oversee both Commissions, which will launch by the end of 2023. The Budget also includes statutory changes to establish the Racial Equity Commission, an advisory body, through 2029. These Commissions will support California's leadership in expanding opportunity and justice for all. The California Youth Empowerment Commission was created to address the growing need to engage youth directly with policymakers. The Commission is advisory in nature, for the main purpose of providing meaningful opportunities for civic engagement to help inform how to improve the quality of life for California's diversity of youth, especially disconnected and disadvantaged youth. For more information, see [Executive Order N-16-22](#).
- ❖ **Office of Community Partnerships and Strategic Communications (OCPSC)** — The OCPSC manages the state's highest priority public awareness and community outreach campaigns. The 2022 Budget Act included \$65 million General Fund annually through FY 2025-26 to establish the Office and provided \$230 million one-time California Emergency Relief Fund in FY 2022-23 for the Office to continue COVID-19 vaccine-related public education and outreach campaigns. Due to declining General Fund revenues, the Budget proposes to remove \$80 million in FY 2022-23 for the COVID-19 Outreach campaign, reducing the one-time investment to \$150 million.